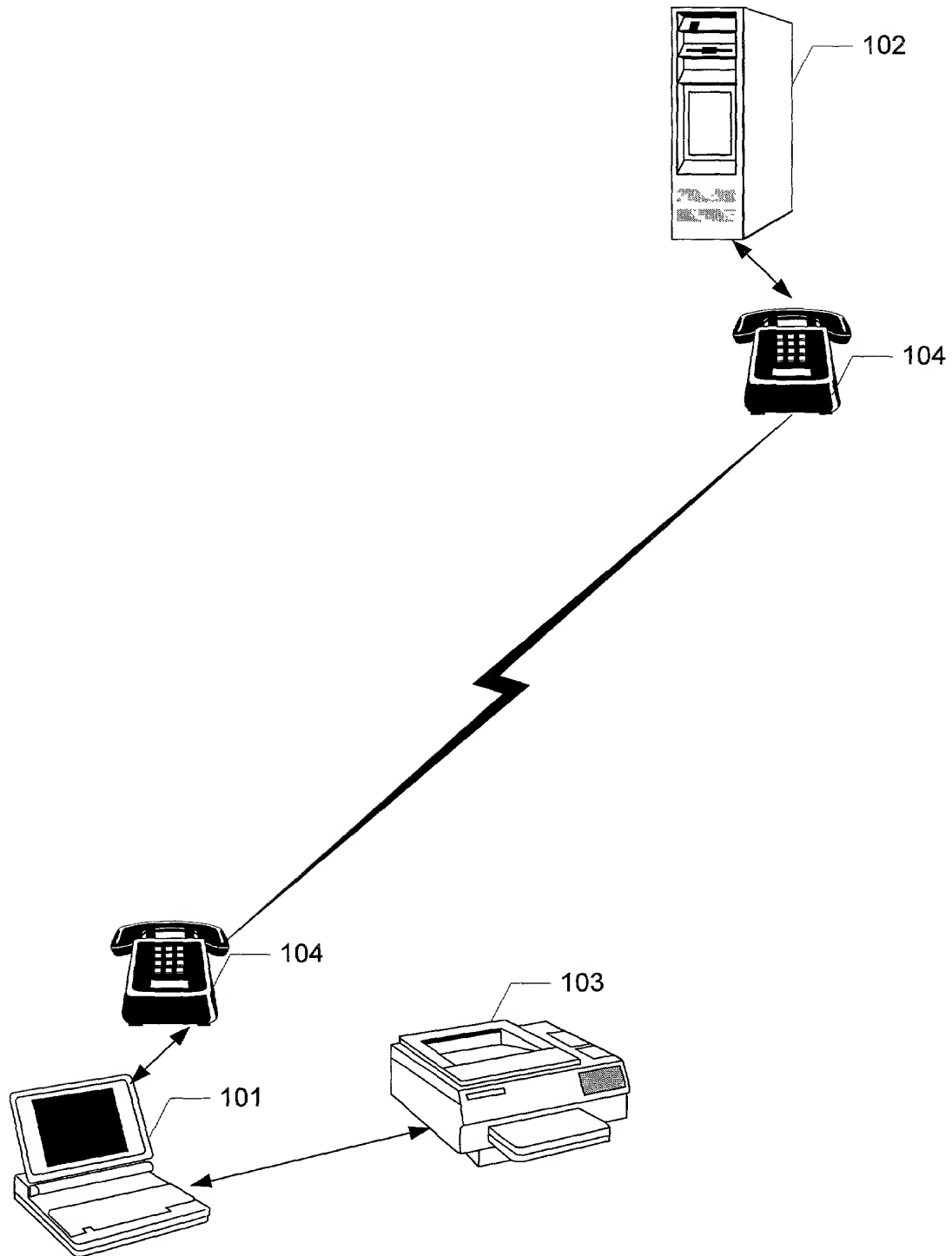


FIG. 1



09/739,448 - 05010

FIG. 2

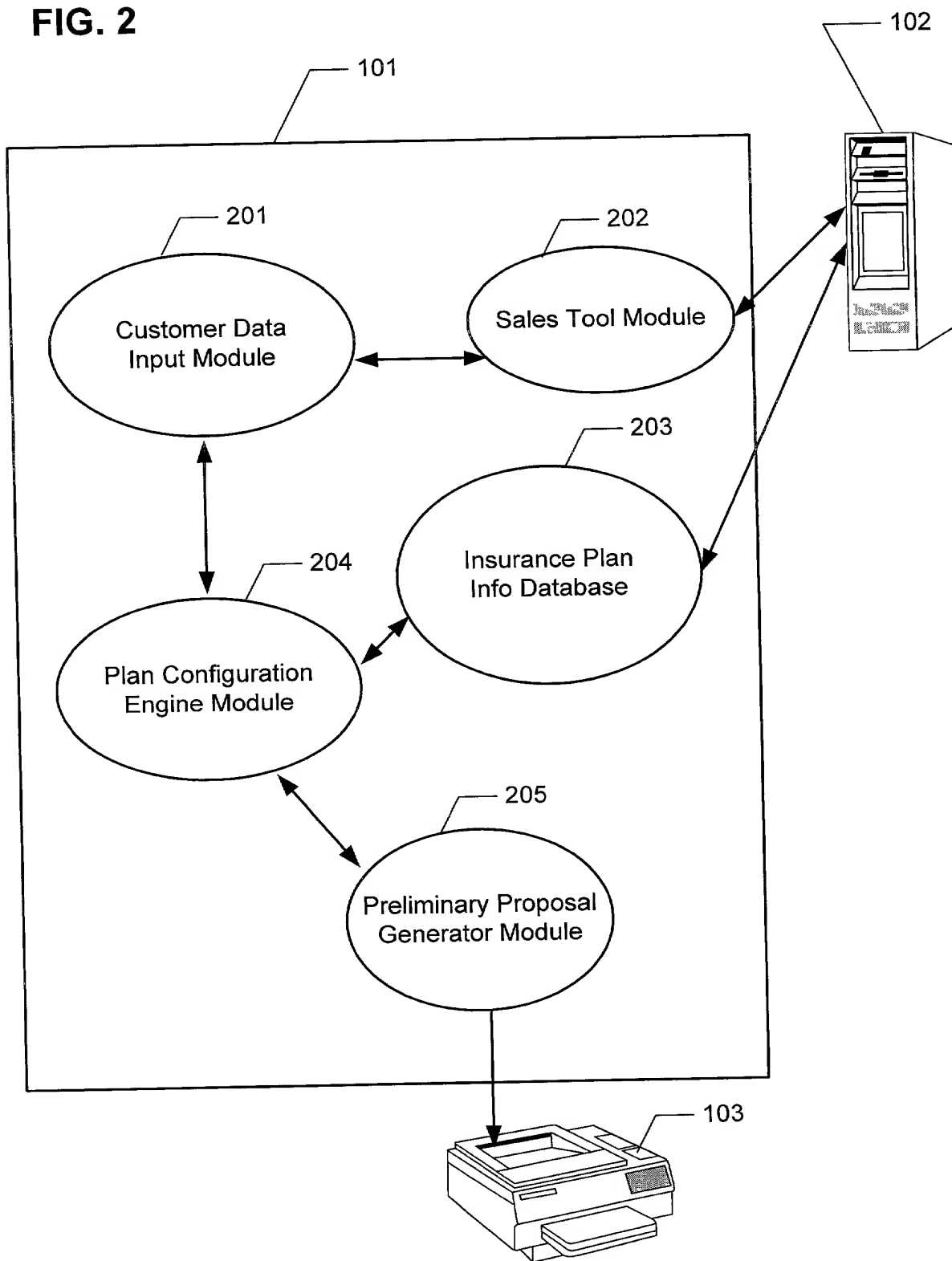


FIG. 3

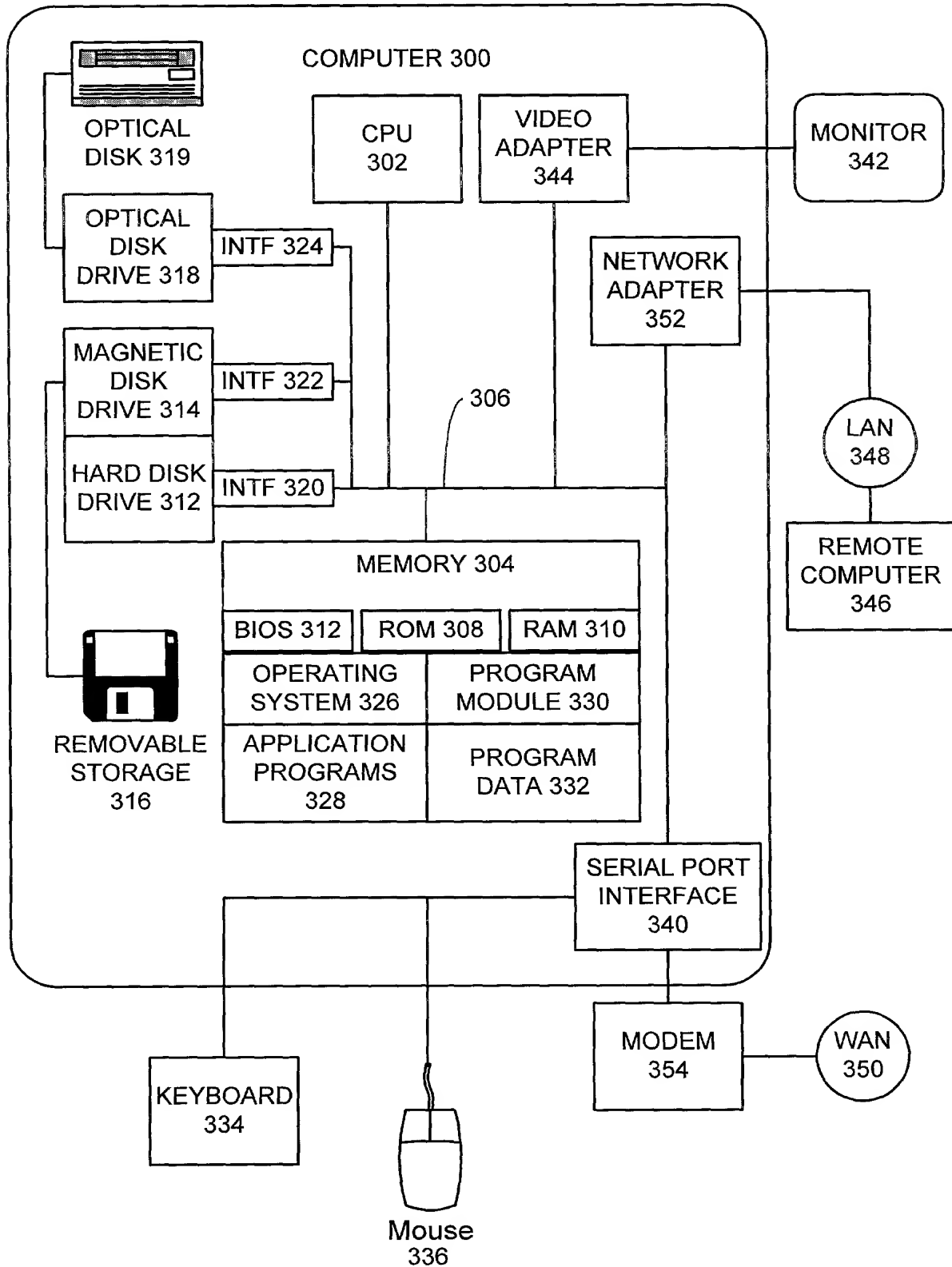


FIG. 3

FIG. 4

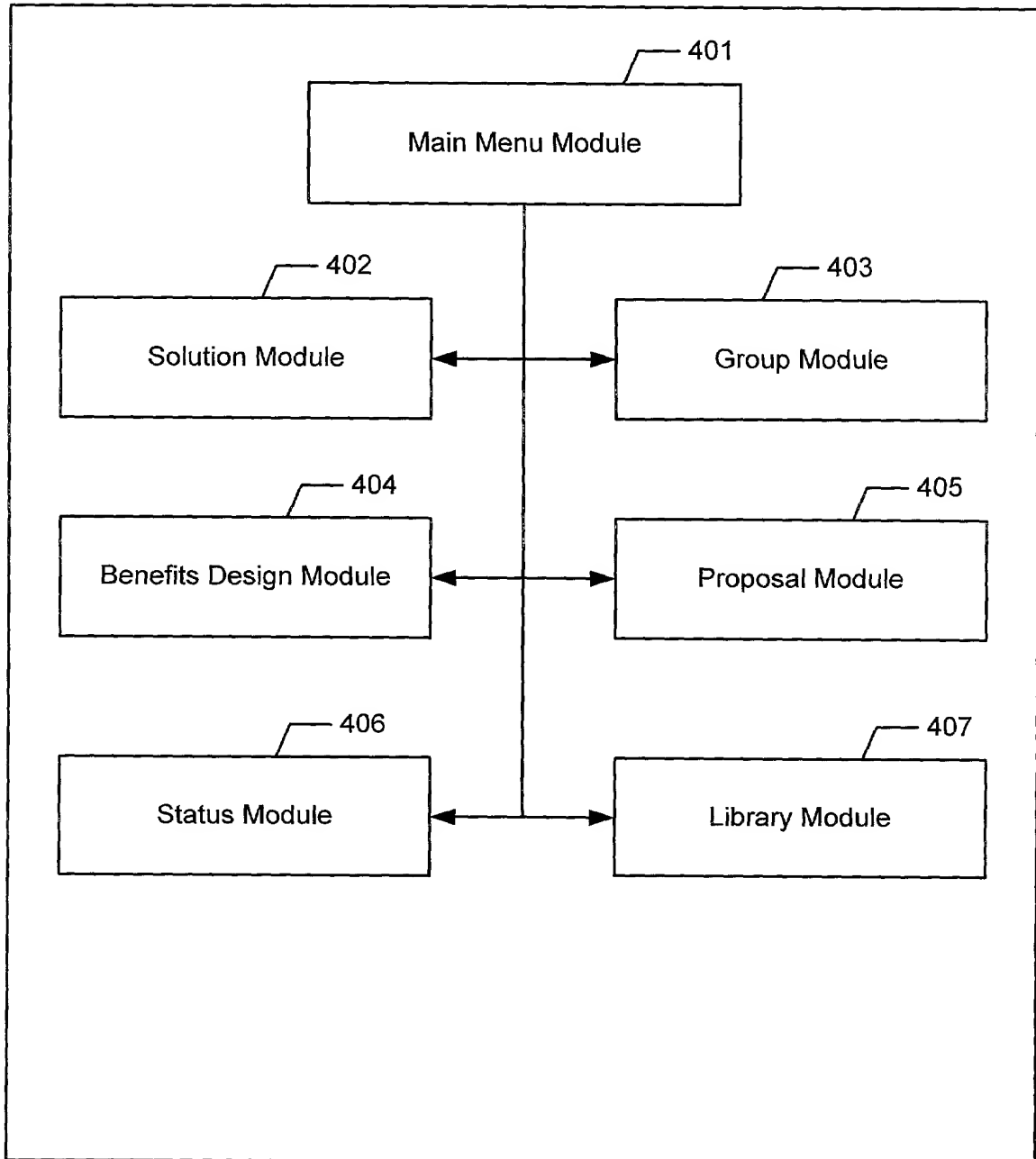


FIG. 5

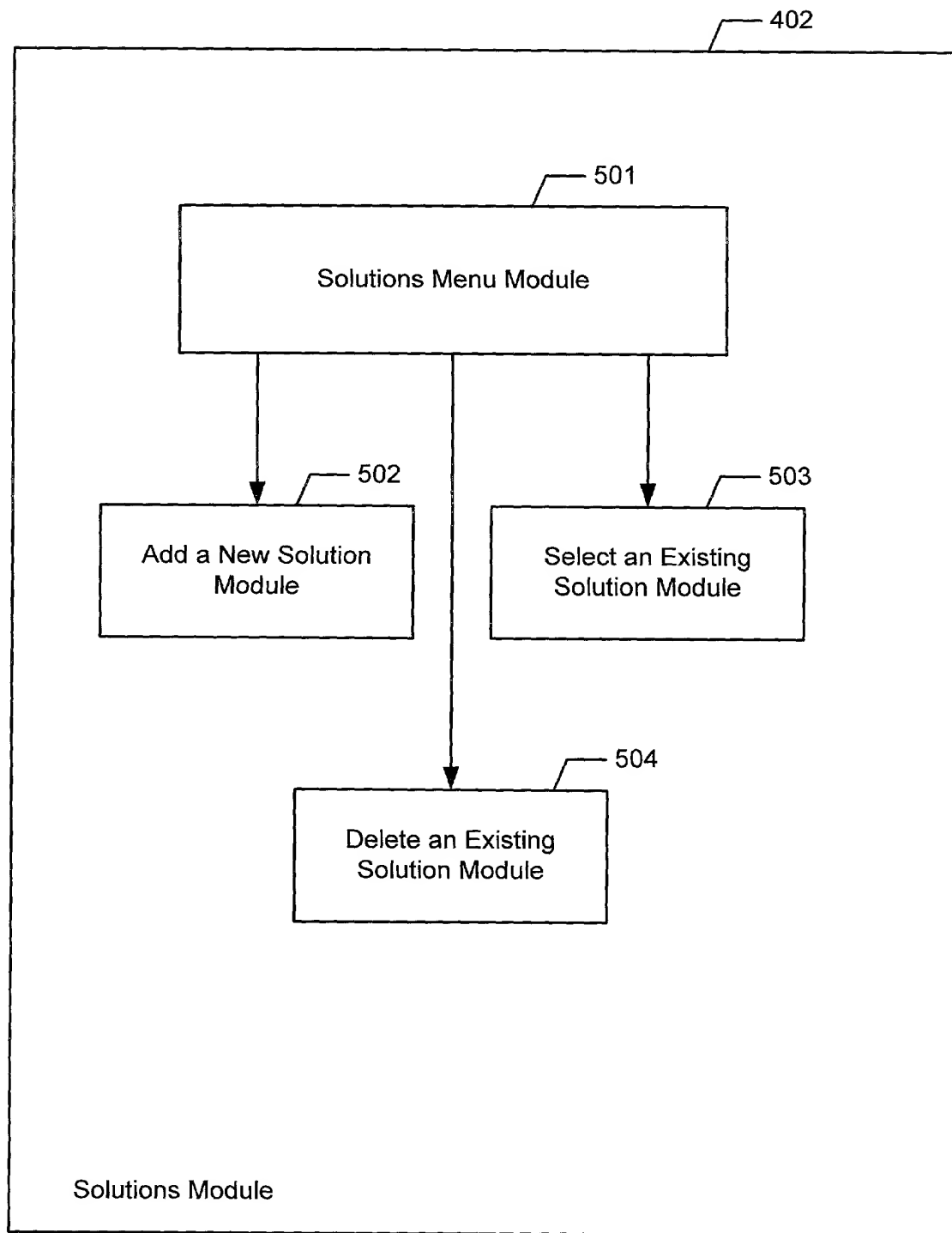


FIG. 6

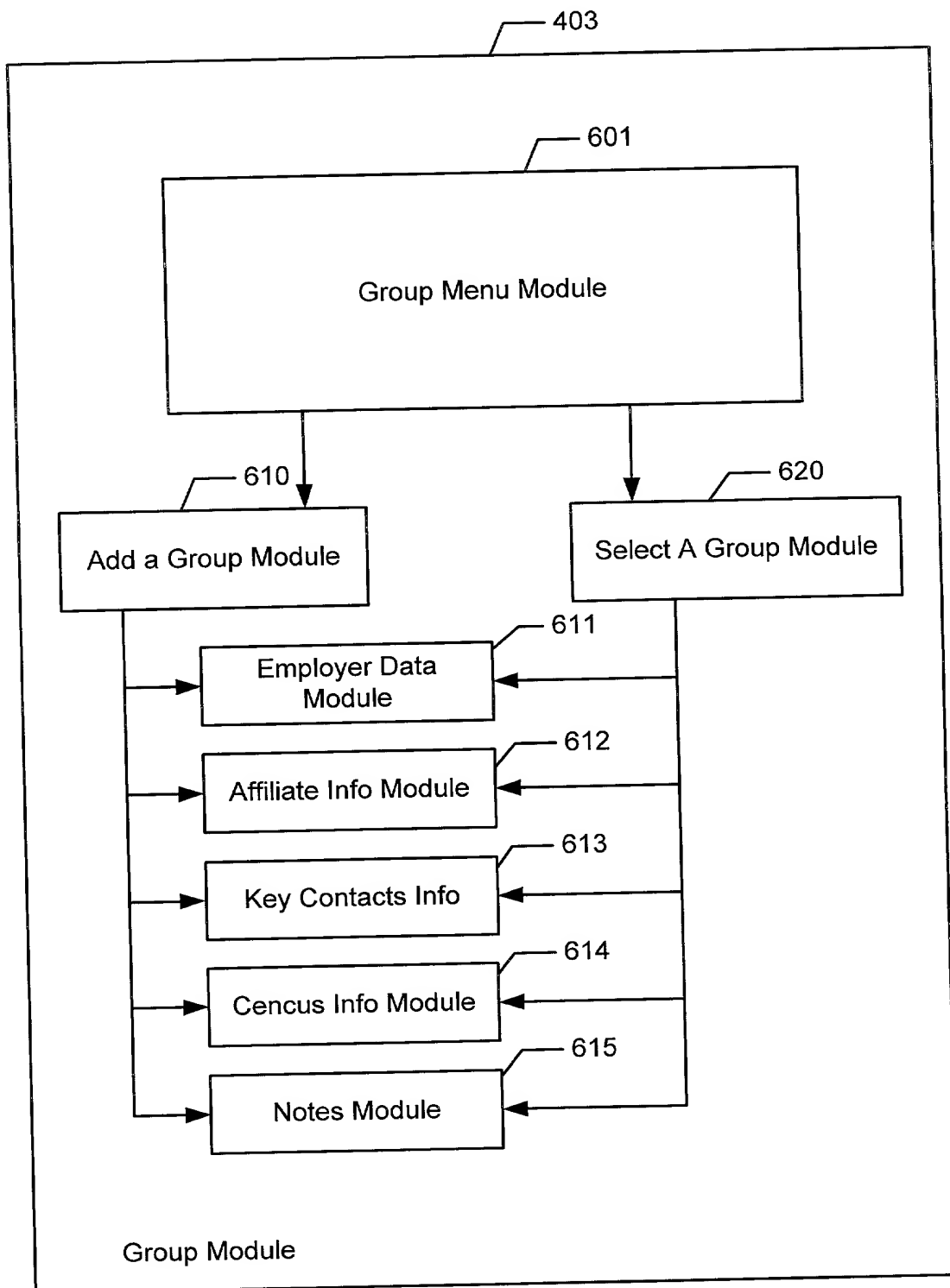


FIG. 7

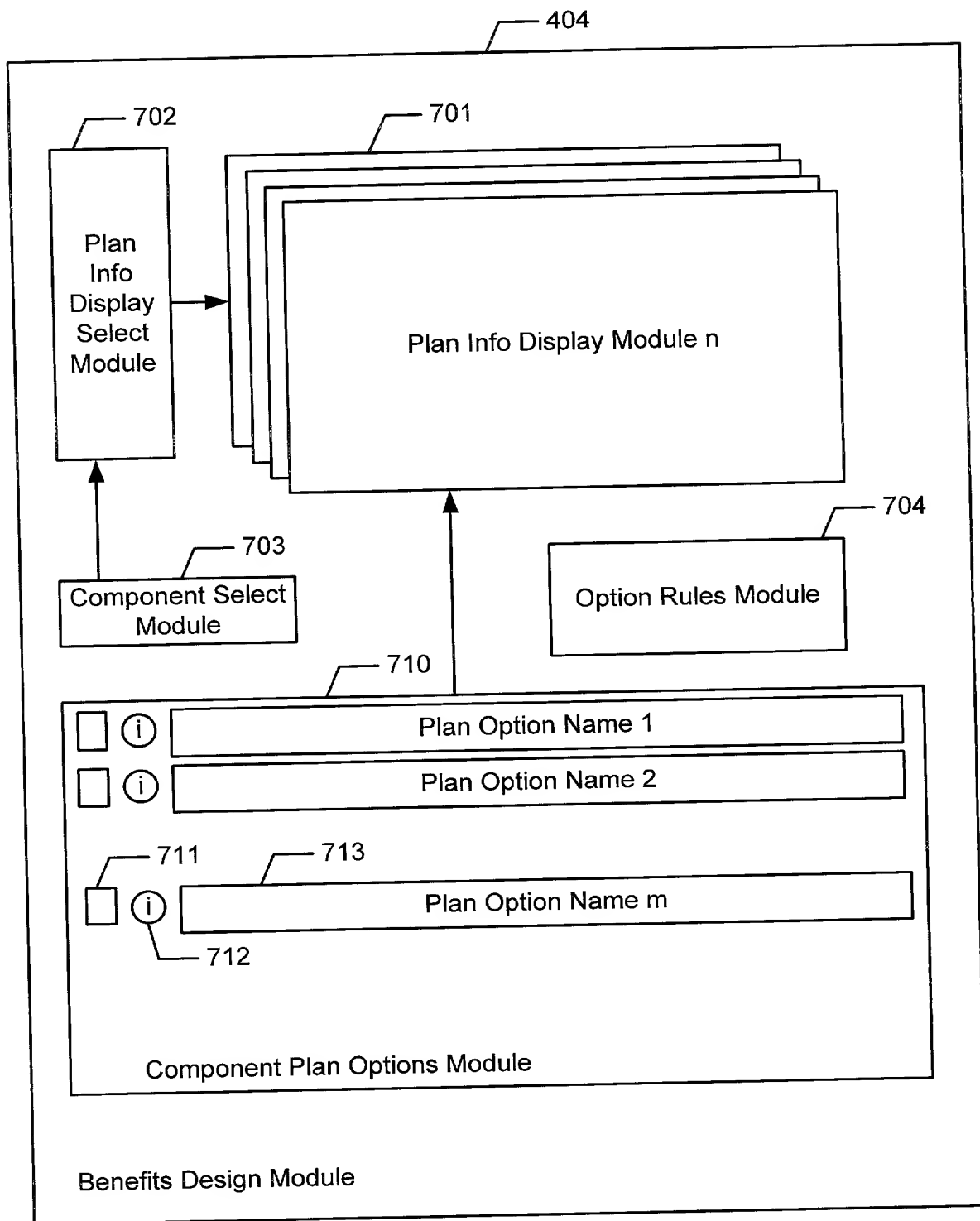


FIG. 8

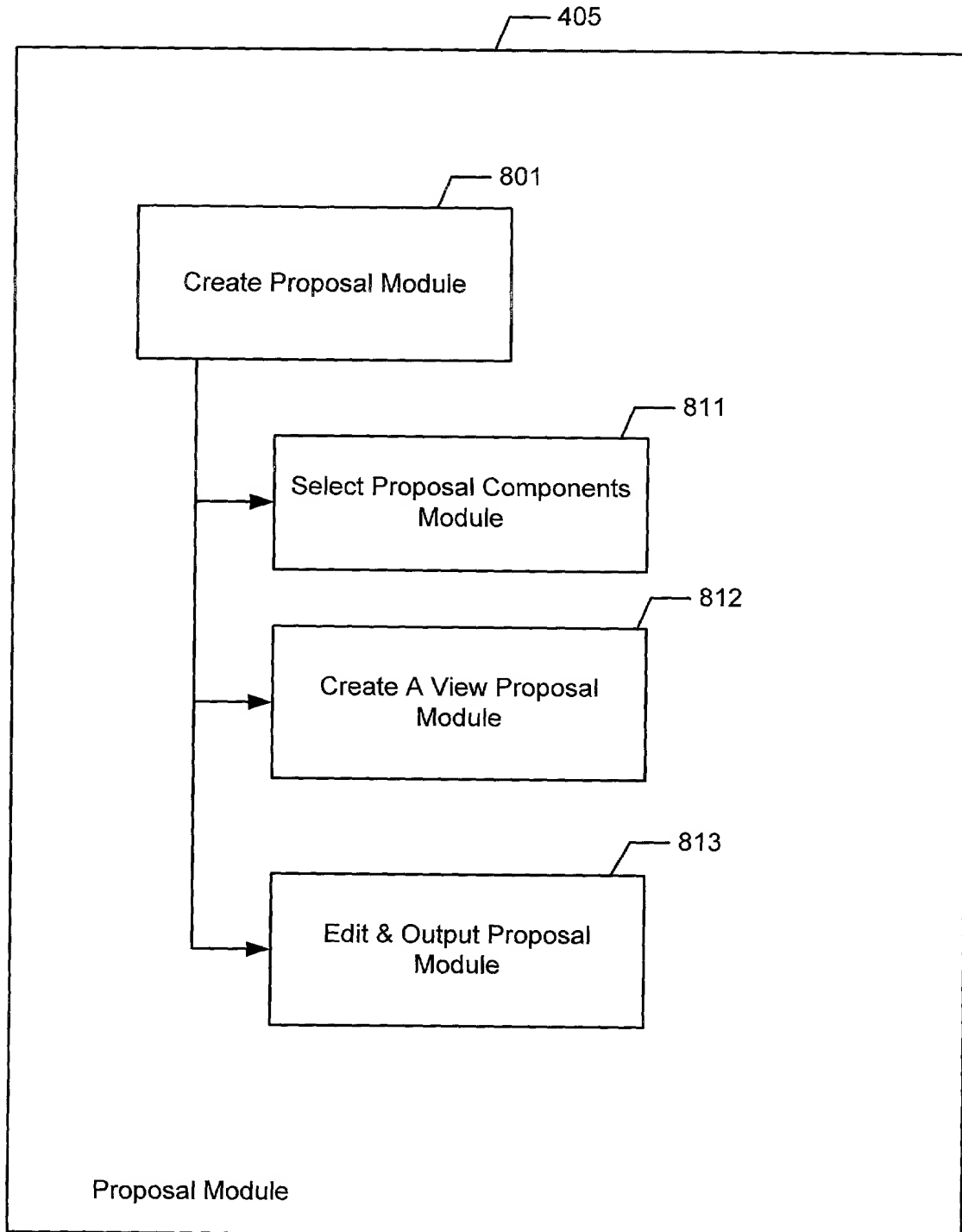
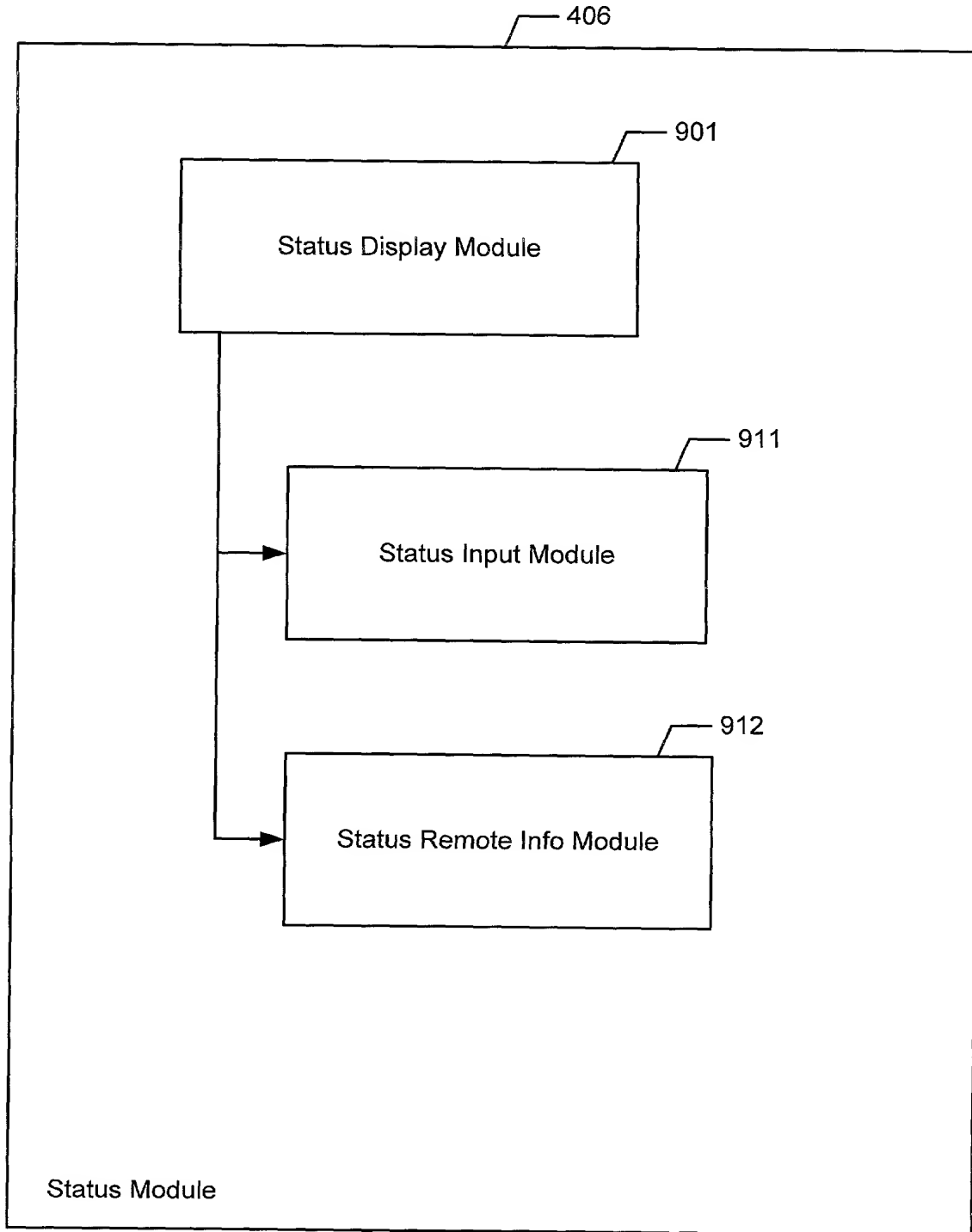


FIG. 8

FIG. 9



09/739,448, FIG. 9

FIG. 10

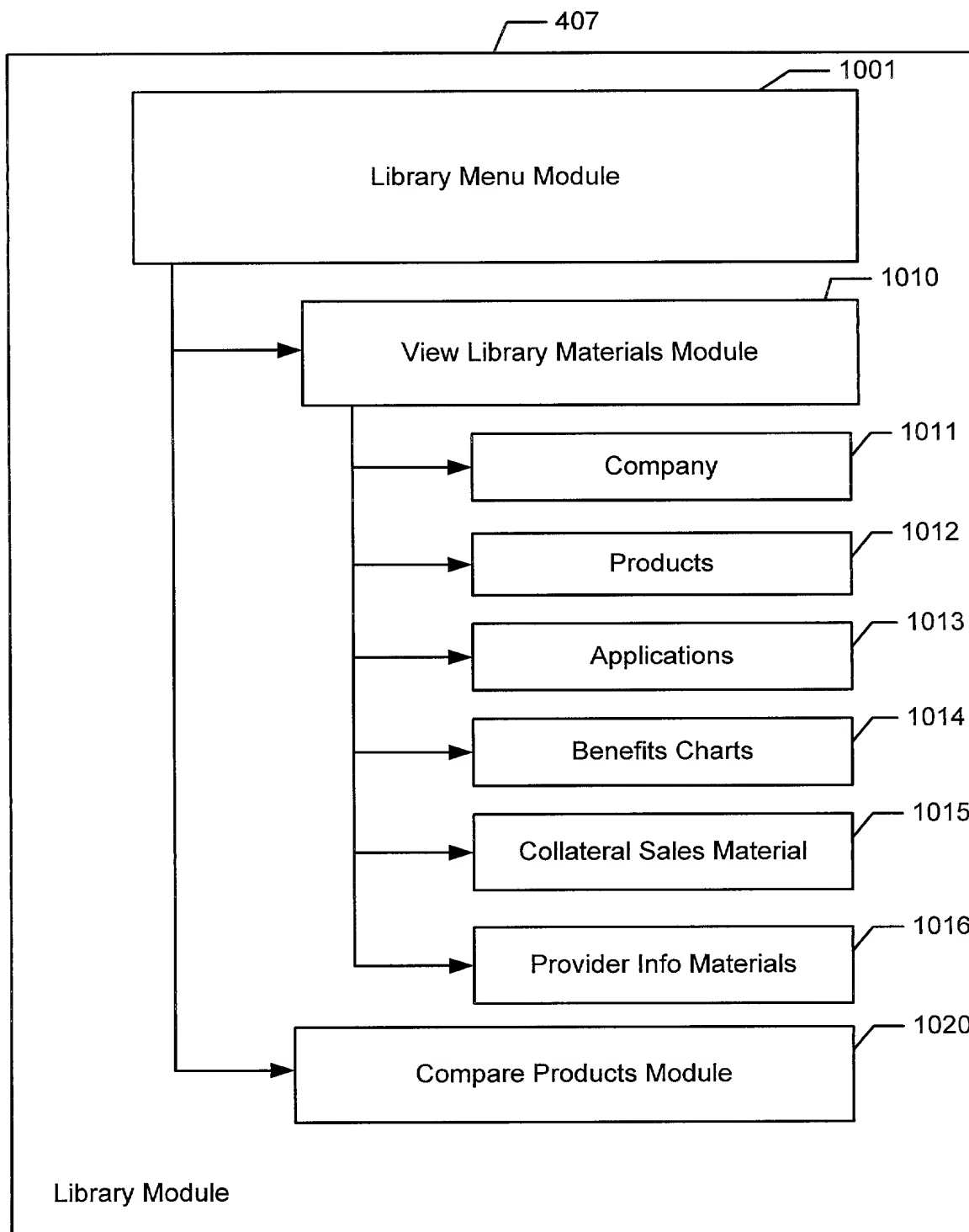


FIG. 11A

Preliminary proposal for:

***Merchant & Gould P.C.
3100 Norwest Center, 90 South Seventh Street
Minneapolis, MN 55402-4131
Phone: (612) 332-3200 Fax (612) 332-9081***

December 18, 2000



Independent licensees of the Blue Cross and Blue Shield Association



Prepared by:

***Joseph A. Salesman
(612) 555-1213***

FIG. 11B



Independent licensees of the Blue Cross and Blue Shield Association

December 18, 2000

Richard Gregson
Merchant & Gould P.C.
3100 Norwest Center, 90 South Seventh Street
Minneapolis, MN 55402-4131

Dear Gregson:

We are pleased to have the opportunity to complete an analysis for the needs of Merchant & Gould P.C. As we have recently discussed, Blue Cross Blue Shield of Minnesota can provide the best benefit coverage for Merchant & Gould P.C.

If you have any questions or require additional information, please contact me at (612)555-1213. Thank you for the consideration of this proposal.

Sincerely,

Joseph A. Salesman
BC BS of MN

Blue Cross and Blue Shield of Minnesota and Blue Plus are independent licensees of the Blue Cross and Blue Shield Association

FIG. 11C



Prepared for: **Merchant & Gould P.C.**

Phone: (612)332-3200

Fax: (612)332-9081

Aware Gold

Health Plan Number: 1

Preliminary Quote

Rates and benefits based on an effective date of January 1, 2000

Health Plan Highlights: Featuring BlueChoice Network

| | | | |
|----------------------------|-----------------------|----------------------------|---|
| Office Visits | 100% | Prescription Drugs | 100% after \$4.50 copay for formulary drugs; \$10 copay for nonformulary drugs |
| Preventive Services | 100% | Deductible | \$300 deductible per person (for services from extended and out-of-network providers) |
| Hospital | | Out-of-Pocket | |
| Facility Services | 100% | Maximum | \$2,500 per person |
| Professional Services | 100% | | |
| Emergency Room | | Individual Lifetime | |
| Facility Services | 100% after \$40 copay | Maximum | \$2 Million per person |
| Physicians Services | 100% | | |

Life Plan Highlights: Underwritten by MII Life

| | | | |
|----------------|---|-----------------------|---|
| Benefit | MI Life - 1X Salary - To Maximum Amount with Optional Dependent | Benefit | MI Life - Short-Term Disability - 60% of Earnings Option - 26 Weeks |
| | | Waiting Period | 1 day accident / 8 days illness |

Dental Plan Highlights: MnCare Preventive Dental

| | | | |
|------------------------------|------|--------------------------|------|
| Diagnostic/Preventive | 100% | Annual Deductible | None |
| | | Annual Maximum | None |

| Monthly Charges | Table 1 - Low | | Table 12 - High | |
|-----------------------|---------------|-----------------------|-----------------|-----------------------|
| Coverage Type | Employee Only | Employee + Dependents | Employee Only | Employee + Dependents |
| Health | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Life | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Short Term Disability | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Dental | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Totals | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

- Average monthly health rates are subject to change and are based upon the census data of the employee/dependents actually enrolled in the plan.
- Also, based upon the current census for this proposal and after medical underwriting review, the average monthly health rates will be no higher than the high table rates shown above as defined by state statute.
- The MII Life & STD rates are based on the plan specifications and census data furnished to us. Final premium rates will be determined on the basis of the actual composition of the group, schedule of insurance, employer contribution and approval of any additional data requested.
- The Dental rates included in this proposal are based on 100% participation and no prior group dental coverage. Dependent upon the benefit selected, the final rates may change if your group has lower participation and/or prior group dental coverage. To qualify for the rates with prior coverage, 90% of the group must be enrolled in your existing dental plan. A copy of your most recent dental billing must be attached.

DO NOT CANCEL YOUR CURRENT PLAN UNTIL FORMAL NOTICE OF ACCEPTANCE IS GIVEN.

The above is only a summary of benefits highlights. All benefits are subject to the terms of the contract and certificate.

FIG. 11D



Prepared for: **Merchant & Gould P.C.**

Phone: (612)332-3200

Fax: (612)332-9081

Aware Gold

Health Plan Number: 1

Preliminary Quote

Rates and benefits based on an effective date of January 1, 2000

| Monthly Group Detail: Table 1 - Low | | | | | | | | | | | |
|-------------------------------------|-----|-----|------------|--------------|---------------|------------------------|-------------|-----------------------|------------------|------------------|------------------------|
| County: HENNEPIN | | | | | | Area: 1 | | Health Plan Number: 1 | | | |
| Employee Information | | | | | | Health | | Life* | | STD* | Dental |
| First Name Last Name | Sex | Age | Sps Age | # of Deps | Medi- care | Emp Only Emp + Deps | Dep Life | Rate Coverage | Rate Coverage | Rate Coverage | Emp Only Emp + Deps |
| Richard Gregson | M | 38 | 38 | 2 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$90,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 |
| Carol Cummins | F | 48 | 0 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$60,000 | \$0.00 \$500 | \$0.00 Single | \$0.00 \$0.00 |
| Jeff Sjoberg | M | 40 | 39 | 4 | Empl oyee | \$0.00 \$0.00 | Y | \$0.00 \$85,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 |
| April Lagro | F | 35 | 38 | 0 | Both | \$0.00 \$0.00 | N | \$0.00 \$40,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 |
| Michele Read | F | 36 | 0 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$45,000 | \$0.00 \$500 | \$0.00 Single | \$0.00 \$0.00 |
| John Sumner | M | 58 | 57 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$100,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 |
| April Hershman | F | 34 | 0 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$30,000 | \$0.00 \$385 | \$0.00 Single | \$0.00 \$0.00 |
| Monthly Totals | | | | | | Health | | Life | STD | Dental | Total |
| Employee Only | | | | | | \$0.00 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Employee + Dependents | | | | | | \$0.00 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| Table 1 - Low | Employee Only | Single | Family |
|------------------------------|---------------|--------|--------|
| Average Monthly Health Rates | \$0.00 | \$0.00 | \$0.00 |

*Satisfactory evidence of insurability will be needed for Life Insurance and Short-Term Disability amounts in excess of these limits:

| Group Size | Basic Term Life and AD&D Amount | Short-Term Disability Weekly Benefit |
|------------|------------------------------------|---|
| 2-9 | \$15,000 ¹ | \$100 |
| 10-24 | \$30,000 | \$250 |
| 25-50 | \$50,000 | \$350 |

¹Prior to acceptance into the program, prospect applications for groups of 2-9 employees will be assessed by underwriting to determine whether they qualify for participation in the program. Prospect groups will be accepted or rejected depending on the results of the initial underwriting assessment. Groups admitted into the program will be permitted to offer coverage on a guaranteed issue basis as stipulated above.

FIG. 11E



Prepared for: **Merchant & Gould P.C.**

Phone: (612)332-3200

Fax: (612)332-9081

Aware Gold

Health Plan Number: 1

Preliminary Quote

Rates and benefits based on an effective date of January 1, 2000

| Monthly Group Detail: Table 12 - High | | | | | | | | | | | | |
|---------------------------------------|-----|-----|------------|--------------|---------------|------------------------|-------------|---------------------|-----------------------|------------------|------------------|------------------------|
| County: HENNEPIN | | | | | | Area: 1 | | | Health Plan Number: 1 | | | |
| Employee Information | | | | | | Health | | Life* | | STD* | Dental | Sub-Totals |
| First Name Last Name | Sex | Age | Sps Age | # of Deps | Medi- care | Emp Only Emp + Deps | Dep Life | Rate Coverage | Rate Coverage | Rate Coverage | Rate Coverage | Emp Only Emp + Deps |
| Richard Gregson | M | 38 | 38 | 2 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$90,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 | |
| Carol Cummins | F | 48 | 0 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$60,000 | \$0.00 \$500 | \$0.00 Single | \$0.00 \$0.00 | |
| Jeff Sjoberck | M | 40 | 39 | 4 | Empl oyee | \$0.00 \$0.00 | Y | \$0.00 \$85,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 | |
| April Lagro | F | 35 | 38 | 0 | Both | \$0.00 \$0.00 | N | \$0.00 \$40,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 | |
| Michele Read | F | 36 | 0 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$45,000 | \$0.00 \$500 | \$0.00 Single | \$0.00 \$0.00 | |
| John Summer | M | 58 | 57 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$100,000 | \$0.00 \$500 | \$0.00 Family | \$0.00 \$0.00 | |
| April Hershman | F | 34 | 0 | 0 | Empl oyee | \$0.00 \$0.00 | N | \$0.00 \$30,000 | \$0.00 \$385 | \$0.00 Single | \$0.00 \$0.00 | |
| Monthly Totals | | | | | | Health | | Life | | STD | Dental | Total |
| Employee Only | | | | | | \$0.00 | | \$0.00 | | \$0.00 | \$0.00 | \$0.00 |
| Employee + Dependents | | | | | | \$0.00 | | \$0.00 | | \$0.00 | \$0.00 | \$0.00 |

| Table 12 - High | Employee Only | Single | Family |
|------------------------------|---------------|--------|--------|
| Average Monthly Health Rates | \$0.00 | \$0.00 | \$0.00 |

*Satisfactory evidence of insurability will be needed for Life Insurance and Short-Term Disability amounts in excess of these limits:

| Group Size | Basic Term Life and AD&D Amount | Short-Term Disability Weekly Benefit |
|------------|------------------------------------|---|
| 2-9 | \$15,000 ¹ | \$100 |
| 10-24 | \$30,000 | \$250 |
| 25-50 | \$50,000 | \$350 |

¹Prior to acceptance into the program, prospect applications for groups of 2-9 employees will be assessed by underwriting to determine whether they qualify for participation in the program. Prospect groups will be accepted or rejected depending on the results of the initial underwriting assessment. Groups admitted into the program will be permitted to offer coverage on a guaranteed issue basis as stipulated above.

FIG. 11F



Prepared for: **Merchant & Gould P.C.**

Phone: (612)332-3200

Fax: (612)332-9081

Aware Gold

Health Plan Number: 1

Plan Highlights

Rates and benefits based on an effective date of January 1, 2000

| Plan Highlights | BlueChoice network | Extended/Out-of-network providers |
|---|--|--|
| Office Visits Sickness or injury Mental health and chemical dependency services | 100% 100% | 80% after deductible 80% after deductible; no benefits for services from non-Blue Cross providers |
| Preventive services Well-child services and immunizations Prenatal care Routine physicals, eye exams and cancer screenings | 100% 100% 100% | 80% after deductible 80% after deductible 80% after deductible |
| Lab and X-ray services | 100% | 80% after deductible |
| In- and outpatient hospital services (includes mental health and chemical dependency services) Facility services Professional services | 100% 100% | 80% after deductible; no benefits for services from non-Blue Cross mental health/chemical dependency providers 80% after deductible; no benefits for services from non-Blue Cross mental health/chemical dependency providers |
| Emergency Room Facility services Physician services | 100% after \$40 copay 100% | 100% after \$40 copay 80%; 80% after deductible for services from non-Blue Cross providers |
| Ambulance services | 80% | 80% |
| Medical supplies | 80% | 80% |
| Therapy services Chiropractic, occupational and physical therapy Speech therapy | 100% 100% | 80% after deductible; no benefits for services from non-Blue Cross providers 80% after deductible |
| Prescription drugs 34-day supply; 3-cycle supply for oral contraceptives Mail-order option (3-month supply) | 100% after \$4.50 copay for formulary drugs; \$10 copay for nonformulary drugs Two copays are required for a 3-month supply | 100% after \$4.50 copay for formulary drugs; \$10 copay for nonformulary drugs. Employees pay the pharmacy and file a claim Two copays are required for a 3-month supply. Employees pay the pharmacy and file a claim |

Prepared by: **Joseph A. Salesman**

December 18, 2000

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FIG. 11G



Prepared for: **Merchant & Gould P.C.**

Phone: (612)332-3200

Fax: (612)332-9081

How the Plan Works

Rates and benefits based on an effective date of January 1, 2000

| Aware Gold | |
|---|--|
| BlueChoice® network | Extended/Out-of-network providers |
| No referral is needed to see a specialist. Network providers arrange for advance approval of services when necessary. | Employees visit any health care provider they choose. No referral is needed to see a specialist. Employees must get approval before receiving some services. |
| Employees pay no costs above the allowed amount. | Employees pay any difference between the allowed amount and the billed charge for services from non-Blue Cross providers. |
| No claims paperwork! | Employees must file their own claims for services from non-Blue Cross providers. |

Employee Cost Sharing

Most services are covered at 100 percent. An annual deductible applies only to certain services from out-of-network providers.

Calendar-year deductible

\$300 deductible per person (for services from extended and out-of-network providers)

Calendar-year out-of-pocket maximum

\$2,500 per person

Once the out-of-pocket maximum is reached, the plan pays 100 percent of covered services to the end of the calendar year, up to the lifetime maximum. There is a separate out-of-pocket maximum of \$150 per person for prescription drugs.

Lifetime maximum

\$2 million per person

Important Plan Facts

This is only an outline of plan benefits. The contract includes complete details about other covered services. Plus, it includes a list of services that are not covered, such as eyeglasses, hearing aids, and services that are cosmetic, experimental, not medically necessary, or covered by workers' compensation or no-fault auto insurance.

Conditions your employees and their dependents had before they were covered by this plan may not be covered for a limited period of time. This limit is reduced by prior continuous coverage and does not apply to pregnancy, newborns or adopted children.

Network Providers Means Savings

Network providers are paid based on allowed amounts: the amount they've agreed to accept from the plan for their services.

For example, if the provider's billed charge is \$100, the plan's allowed amount might be \$80. Inside the network, your employees' coinsurance is 0; outside the network, 20%.

This means: **Inside the network**, the employee pays nothing for most services. **Outside the network**, the employee pays the \$20 difference between the actual bill and the plan's allowed amount, *plus* the 20% of \$80, for a total of \$36. (This example assumes the deductible has been met.)

FIG. 11H



Prepared for: **Merchant & Gould P.C.**

Phone: (612)332-3200

Fax: (612)332-9081

Plan Comparison

Rates and benefits based on an effective date of January 1, 2000

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